



**SINTEX PLASTICS TECHNOLOGY LIMITED**  
**ANNUAL REPORT 2019-2020**

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## FORWARD LOOKING STATEMENTS

In this Annual Report, we have disclosed forward-looking information to enable investors to fully appreciate our prospects and take informed investment decisions. This report and other statements - written and oral - that we periodically make, contain forward-looking statements that set our anticipated results based on management plans and assumptions. We have tried, where possible, to identify such statements by using words such as 'anticipate', 'expect', 'project', 'intend', 'plan', 'believe', and words of similar substance in connection with any discussion of future performance.

We cannot, of course, guarantee that these forward-looking statements will be realised, although we believe we have been prudent in our assumptions. Achievement of results is subject to risks, uncertainties, and potentially inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated, or projected. Readers should bear this in mind. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events, or otherwise.

# Corporate Information

## BOARD OF DIRECTORS :

**Mr. Amit D. Patel** (DIN: 00171035)  
Chairman & Managing Director

**Mr. Rahul A. Patel** (DIN: 00171198)  
Non-Executive Director

**Mr. Desh Raj Dogra** (DIN: 00226775)  
Independent Director

**Mr. Amal Dhru** (DIN: 00165145)  
Independent Director

**Mr. Dinesh Khara** (DIN: 08384217)  
Independent Director

**Mr. Bhavan Trivedi** (DIN: 06965703)  
Independent Director  
(w.e.f. 14<sup>th</sup> November, 2019)

**Mr. Yogesh L. Chhunchha** (DIN: 03576478)  
Independent Director  
(w.e.f. 14<sup>th</sup> November, 2019)

**Mrs. Mamta P. Tripathi** (DIN: 08528138)  
Independent Director  
(w.e.f. 14<sup>th</sup> November, 2019)

**Mr. Sandeep M. Singhi** (DIN: 01211070)  
Independent Director  
(upto 2nd October, 2019)

**Dr. Gauri S. Trivedi** (DIN: 06502788)  
Independent Director  
(upto 9<sup>th</sup> November, 2019)

**Mr. Pravin K. Laheri** (DIN: 00499080)  
Independent Director  
(upto 11<sup>th</sup> November, 2019)

## BANKERS :

RBL Bank Limited  
Axis Bank Limited

## AUDITORS :

**M/s. Prakash Tekwani & Associates**  
Chartered Accountants  
Ahmedabad

## REGISTRAR & SHARE TRANSFER AGENT :

**Link Intime India Pvt. Ltd.**  
5<sup>th</sup> Floor, 506 to 508,  
Amarnath Business Center-1 (ABC-1),  
Besides Gala Business Center,  
Opp. Wagh Bakri Tea Lounge, Off C.G. Road,  
Ellisbridge, Ahmedabad - 380 006, India.  
Phone : +91-79-2646 5179  
Email : ahmedabad@linkintime.co.in

## COMPANY SECRETARY & COMPLIANCE OFFICER :

**Mr. Manan Bhavsar**

## REGISTERED OFFICE :

In the premises of Sintex-BAPL Ltd.  
Near Seven Garnala, Kalol - 382 721,  
Dist: Gandhinagar, Gujarat, India.  
Phone : +91-2764-253500  
CIN : L74120GJ2015PLC084071

## INVESTOR RELATIONSHIP CELL:

7<sup>th</sup> Floor, Abhijit Building-I, Mithakhali Six Roads,  
Ellisbridge, Ahmedabad - 380 006, Gujarat, India.  
Phone : +91-79-26420045, +91-6358855979  
E-mail : info@sintex-plastics.com  
Website : www.sintexplastics.com

# Directors' Report

Dear Shareholders,

Your Directors present the Fifth Annual Report of the Company highlighting the business and operations of the Company and the Audited Financial Statements for the Financial Year ended 31<sup>st</sup> March, 2020.

## FINANCIAL PERFORMANCE – STANDALONE & CONSOLIDATED

(₹ in crores)

Particulars	Standalone		Consolidated*	
	2019-20	2018-19	2019-20	2018-19
<b>Gross turnover</b>	4.44	16.38	916.51	2450.58
<b>Gross profit</b>	<b>(19.05)</b>	<b>0.05</b>	<b>(698.55)</b>	<b>38.77</b>
Less : Depreciation	-	-	137.17	139.12
<b>Profit/(loss) before exception items &amp; tax</b>	<b>(19.05)</b>	<b>0.05</b>	<b>(835.72)</b>	<b>(100.35)</b>
Exceptional items	325.00	-	512.60	-
<b>Profit/(loss) before tax</b>	<b>(344.05)</b>	<b>0.05</b>	<b>(1348.32)</b>	<b>(100.35)</b>
Less: Provision for taxation — current tax	-	2.38	0.30	(7.50)
Deferred tax	(23.92)	-	(168.72)	(40.39)
<b>Profit/(loss) after tax from continuing operations</b>	<b>(320.13)</b>	<b>(2.33)</b>	<b>(1179.90)</b>	<b>(52.46)</b>
Profit/(loss) from discontinued operations before tax	-	-	61.36	184.61
Tax expense of discontinued operations	-	-	10.78	37.70
Profit/(loss) from discontinued operations (after tax)	-	-	50.58	146.91
<b>Profit/(loss) for the Year</b>	<b>(320.13)</b>	<b>(2.33)</b>	<b>(1129.32)</b>	<b>94.45</b>

\* The comparative figures for the year ended March 31, 2019 have been restated in accordance with “IND-AS 8: Accounting Policies, Changes in accounting estimates and errors”.

## FINANCIAL PERFORMANCE - CONSOLIDATED

Your Company has registered a topline of ₹ 916.51 crores in 2019-20 against ₹ 2450.58 crores in 2018-19. Gross Loss stood at ₹ 698.55 crores and the Loss after tax of ₹ 1129.32 crores. Consequently, the earnings per share (face value of Re. 1) stood at ₹ (17.90) (basic) and ₹ (17.62) (diluted) for Financial Year 2019-20.

The drop in performance was due to slow down in domestic automotive business with squeeze in liquidity and OEMs facing sluggishness as well as demand starvation of Plastics Products due to choking of supply in absence of adequate working capital. During the year under review, the company disinvested its entire stake in French Subsidiary Sintex NP SAS.

**Material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year and date of this report:**

The outbreak of Coronavirus (COVID-19) pandemic globally and in India is causing significant disturbance and slowdown of economic activity. In many countries, businesses are being forced to cease or limit their operations for long or indefinite period of time. Measures taken to contain the spread of the virus have triggered significant disruptions to businesses worldwide, resulting to an economic slowdown. Operations of the Subsidiaries of the Company were suspended in all the plants during lock down period of March-20 & April 20 and have resumed post lockdown as per government directives/restrictions on account of COVID 19. The impact of covid-19 may be different from than estimated as at the date of approval of these Financials Results and the company will continue to closely monitor the developments. Though a definitive assessment of the impact is not possible in view of the high uncertain economic environment and the scenario is still evolving.

## DIVIDEND

In view of loss incurred by the Company during the year under review, the Board of Directors has not recommended dividend for the Year ended on 31<sup>st</sup> March, 2020.

## TRANSFER TO RESERVES

In view of loss incurred by the Company during the year under review, the Company has not transferred any amount to Reserves for the Year ended on 31<sup>st</sup> March, 2020.

## SHARE CAPITAL

There was no change in share capital during the year under review. Paid up share capital of the Company was ₹ 63,10,28,422/- divided into 63,10,28,422 equity shares of ₹ 1/- each as on 31<sup>st</sup> March, 2020. FCCBs worth US\$ 13.5 million (of the US\$ 67 million FCCB issue) were outstanding for conversion into equity shares as on 31<sup>st</sup> March, 2020.

## **FIXED DEPOSITS**

During the year under review, your Company has not accepted any deposits within the meaning of Section 73 of the Companies Act, 2013 and the rules made there under.

## **STATE OF COMPANY'S AFFAIRS**

Sintex Plastics Technology develops niche solution using plastics and composites at its diversified manufacturing facilities located across the country. These solutions cater to critical nation-building sectors and hence are always high on Government priority. The Company enjoys a global presence through its subsidiaries. This enables cross pollination of global trends with the Indian operations and also helps in growing business for the Company as a whole.

## **PERFORMANCE OF SUBSIDIARIES**

In India, the Company operates through its subsidiaries Sintex-BAPL Limited (developing and delivering high-end custom moulded products and solutions to diverse sectors) and Sintex Prefab and Infra Limited (which undertakes EPC contracts for various infrastructure projects across the country).

Sintex-BAPL Limited: The Company's custom moulding operations can be classified into two segments 1) Application-specific standard products catering to diverse sectors and 2) Customer-specific products primarily catering to the Automotive sector, Mass transit & Electrical sectors.

Application-specific custom moulded products: This business segment was the most affected by the shortage of working capital. While it has a strong Brand presence, the demand was starved since the supply was choked. The product as well as cost optimization efforts in this segment has resulted in it becoming lean and value generating even at lower levels of Revenue.

Customer-specific custom moulding: This business vertical focuses dominantly on the Automotive sector. The demand in Auto-sector was affected due to economic slowdown and squeeze in liquidity affecting buying decisions of consumers. This segment enjoys long-term relationships with Auto OEMs. During the year, the Hosur plant was setup to cater to two large OEMs (one in passenger vehicles and one in two-wheelers) as tier-1 supplier.

BAPL Rototech Pvt. Limited: Since this subsidiary caters to the Commercial Vehicle segment, the impact on it was similar to the Automotive industry. While significant order book linked to the parts required to adhere to BS VI norms, the OEMs are facing sluggishness in the demand.

Sintex Logistics LLC: The Company cemented its relations with Cummins US and resumed business relations with other global corporates such as Alstom and Siemens.

Sintex NP SAS: The European operations was successfully sold in order to preserve its value and allow it to grow through the capital investments.

Sintex Prefab and Infra Limited: The Company is a Pan-India player offering range of products from Mid-day meal kitchens to classrooms, health care centres, project & site offices, sanitation, police chowkis, Labour camps, bunk houses, army shelters and cold chains among others. During the year under review, the Company has revised its business strategy to focus on prefab business with customers in the private sector where the requirement of working capital is less due to timely realization of receivables. However due to ongoing liquidity issues faced by the Company and change in target customer profile, the Company has decided to downsize its operations till the time liquidity constraints are addressed and volumes with customers in the private sector pick up.

For Information relating to contribution of each of the subsidiary company to the overall performance of the company, please refer form AOC-1 forming part of this Annual Report.

## **CHANGES IN SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES/WHOLLY OWNED SUBSIDIARIES**

During the year under review, Sintex Holdings B.V., a Step Down Wholly Owned Subsidiary of the Company incorporated a company namely Sintex Holdings UK Limited in United Kingdom.

The Company has completed transaction with respect to sale of entire equity holding of Sintex NP SAS, a Step Down Wholly Owned Subsidiary of the Company on 24<sup>th</sup> October, 2019, hence Sintex NP SAS (including its following 100% subsidiaries) ("Sintex NP Group") ceased to be subsidiary of the Company w.e.f. 24<sup>th</sup> October, 2019:

Sr. No.	Name of the Subsidiary
1	Sintex NP SAS (previously known as Nief Plastic SAS)
2	NP Hungaria Kft
3	NP Nord SAS
4	NP Slovakia SRO
5	NP Savoie SAS
6	NP Tunisia SARL
7	NP Vosges SAS
8	NP Morocco SARL (previously known as Segaplast Maroc SA)
9	NP Germany GMBH (previously known as NP Poschmann)
10	Siroco SAS
11	SICMO SAS
12	NP Jura
13	AIP SAS
14	NP Sud SAS (previously known as Segaplast SAS)
15	NP Polska
16	Simonin SAS
17	Capelec SAS

The Company does not have any associate or joint venture at the end of the year under review.

#### CORPORATE SOCIAL RESPONSIBILITY

During the year under review, the provisions for Corporate Social Responsibility under Section 135(1) of the Companies Act, 2013 have first time become applicable to the Company and the Corporate Social Responsibility ("CSR") Committee has been formed by the Board during the year under review. On recommendation of CSR Committee, the Board has formulated a CSR Policy of the Company indicating the activities to be undertaken by the Company in the areas or subjects specified in Schedule VII of the Companies Act, 2013.

The Composition of CSR Committee as on 31<sup>st</sup> March, 2020 is as follow:

Name of the Committee Members	Category of Director	Designation
Mr. Dinesh Khara	Independent & Non-Executive Director	Chairman
Mr. Rahul A. Patel	Non-Independent & Non-Executive Director	Member
Mr. Amit D. Patel	Executive Director	Member

The Annual Report on CSR activities for the Financial Year 2019-20 is annexed herewith as 'Annexure-A'.

#### STATUTORY AUDITORS AND AUDITORS' REPORT

M/s. B S R & Associates LLP, (FRN:116231W/W-100024), Chartered Accountants, Ahmedabad, have tendered their resignation as the Statutory Auditors of the Company on 18<sup>th</sup> July, 2019 and held office of Statutory Auditors of the Company till the conclusion of 4th Annual General Meeting of the Company held on 30<sup>th</sup> August 2019. The Board of Directors in its meeting held on 19<sup>th</sup> July, 2019, on the recommendation of the Audit Committee, have appointed M/s. Chanda Ram & Associates, Chartered Accountants, Ahmedabad (Firm Registration No. 150519W) as the Statutory Auditors of the Company, to fill the casual vacancy created in the office of the Statutory Auditors, to hold the office for a term of 5 consecutive years from the conclusion of 4th Annual General Meeting of the Company till the conclusion of Ninth Annual General Meeting of the Company to be held in the calendar year 2024. However, M/s. Chanda Ram & Associates, Chartered Accountants, Ahmedabad ceased to be Statutory Auditors of the Company with effect from 19<sup>th</sup> March, 2019 due to being disqualified under provisions of Section 141 of the Companies Act, 2013 due to rendering services as mentioned under Section 144 of the Companies Act, 2013, which has resulted into casual vacancy in the office of Statutory Auditors of the Company. Thereafter, the Board of Directors on the recommendation of the Audit Committee, have appointed M/s. Prakash Tekwani & Associates, Chartered Accountants, Ahmedabad (Firm Registration No:120253W) as the Statutory Auditors of the Company, to hold the office w.e.f. 28<sup>th</sup> March, 2020 till the conclusion of ensuing Annual General Meeting of the Company.

The Audit Committee and the Board of Directors in their respective meetings held on 24<sup>th</sup> July, 2020 have recommended appointment of M/s. Prakash Tekwani & Associates, Chartered Accountants, Ahmedabad (Firm Registration No: 120253W) as Statutory Auditors of the Company subject to approval of the Members at the 5<sup>th</sup> Annual General Meeting of the Company for a term of 5 consecutive years. Accordingly, a resolution, proposing appointment of M/s. Prakash Tekwani & Associates as Statutory Auditors of the Company for a term of five consecutive years i.e. from the Conclusion of 5<sup>th</sup> Annual General Meeting till the conclusion of 10<sup>th</sup> Annual General Meeting of the Company pursuant to Section 139 of the Companies Act, 2013, forms part of notice calling 5<sup>th</sup> Annual General Meeting of the Company. In this regard, the Company has received a certificate to the effect that they satisfy the criteria provided under Section 141 of the Companies Act, 2013 and that the appointment, if any made, shall be in accordance with the applicable provisions of the Companies Act, 2013 and the rules framed thereunder. Pursuant to Regulation 33(1)(d) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Auditors have also confirmed that they have valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India (ICAI).

The Report given by M/s. Prakash Tekwani & Associates, Chartered Accountants on the Financial Statement of the Company for the Financial Year 2019-20 does not have any qualifications, reservation, disclaimer or adverse comments. The notes on financial statement referred to in the Auditor's Report are self-

explanatory and do not call for any further comments. Further, the observation/s made therein read with concerned notes to financial statements, provide sufficient information and need no clarification. The Statutory Auditors have not reported any incident of fraud to the Audit Committee of the Company in the year under review.

#### **INTERNAL FINANCIAL CONTROLS (“IFC”) AND THEIR ADEQUACY**

As per the provisions of the Companies Act, 2013, the Directors have the responsibility for ensuring that the Company has implemented robust system / framework for IFCs to provide them with reasonable assurance regarding the adequacy and operating effectiveness of controls to enable the Directors to meet with their responsibility.

The Company has in place a sound financial control system and framework in place to ensure:

- The orderly and efficient conduct of its business including adherence to Company’s policies,
- Safeguarding of its assets,
- The prevention and detection of frauds and errors,
- The accuracy and completeness of the accounting records and
- The timely preparation of reliable financial information.

A formal documented IFC framework has been implemented by the Company. The Board regularly reviews the effectiveness of controls and takes necessary corrective actions where weaknesses are identified as a result of such reviews. This review covers entity level controls, process level controls, fraud risk controls and Information Technology environment. Based on this evaluation, there is nothing that has come to the attention of the Directors to indicate any material break down in the functioning of these controls, procedures or systems during the year. There have been no significant events during the year that have materially affected, or are reasonably likely to materially affect, our internal financial controls. The management has also come to a conclusion that the IFC and other financial reporting was effective during the year and is adequate considering the business operations of the Company.

Explanations/comments with respect to Internal Financial controls observations made by the statutory auditors in Consolidated Audit Report: With respect to Debtor/trade receivable management, there are various on-going projects with Government Agencies and therefore it is difficult to timely reconcile, systematically realize and adherence to the credit policy. Hence, it is difficult to estimate the credit period. We will take appropriate actions to get the average collection period down by giving less credit and strengthening collections except government projects. With respect to GST matter, we are developing a system to ensure that ITC will be taken of those vendors’ bills for which either we have already made payment or sure to make payment within 180 days and reconciliation process has been initiated.

#### **SECRETARIAL AUDIT REPORT**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s. Chirag Shah & Associates, Practicing Company Secretaries, Ahmedabad to undertake the Secretarial Audit of the Company. The Secretarial Audit Report for the financial year 2019-20 is annexed herewith as ‘Annexure B’. There were no qualifications, observations, reservation or comments or other remarks in the Secretarial Audit Report, which have any adverse effect on the functioning of the Company.

#### **DIRECTORS AND KEY MANAGERIAL PERSONNEL**

Mr. Rahul A. Patel, Director is due to retire by rotation at this Annual General Meeting in terms of Section 152(6) of the Companies Act, 2013 and is eligible for reappointment.

During the year under review, Mr. Sandeep M. Singhi, Dr. Gauri S. Trivedi and Mr. Pravin K. Laheri resigned as Directors of the Company on 2<sup>nd</sup> October, 2019, 9<sup>th</sup> November, 2019 and 11<sup>th</sup> November, 2019 respectively. Mr. Yogesh L. Chhunchha (DIN: 03576478), Mr. Bhavan Trivedi (DIN: 06965703) and Mrs. Mamta P. Tripathi (08528138) were appointed as Additional Directors in the category of Independent Directors of the Company w.e.f. 14<sup>th</sup> November, 2019. Mr. Yogesh L. Chhunchha, Mr. Bhavan Trivedi and Mrs. Mamta P. Tripathi hold the office up to the ensuing Annual General Meeting of the Company.

Nomination & Remuneration Committee at its meeting held on 24<sup>th</sup> July, 2020 has recommended to the Board of Directors for continuance of all three Independent Directors i.e. Mr. Yogesh L. Chhunchha, Mr. Bhavan Trivedi and Mrs. Mamta P. Tripathi whose term are expiring on ensuing Annual General Meeting of the Company. The Company has received notices from a Member proposing appointment of Mr. Yogesh L. Chhunchha, Mr. Bhavan Trivedi and Mrs. Mamta P. Tripathi as Directors of the Company pursuant to the provisions of Section 160 of the Companies Act, 2013. The Board of Directors of the Company recommended appointment of Mr. Yogesh L. Chhunchha, Mr. Bhavan Trivedi and Mrs. Mamta P. Tripathi as Independent Directors under the Companies Act, 2013, to hold office till the conclusion of the 9<sup>th</sup> Annual General Meeting of the Company to be held in the calendar year 2024.

Tenure of Mr. Desh Raj Dogra as an Independent Director of the Company is concluding on ensuing Annual General Meeting of the Company. Nomination & Remuneration Committee at its meeting held on 24<sup>th</sup> July, 2020 has recommended to the Board of Directors for extension of Directorship of Mr. Desh Raj Dogra for the second term. The Company has received notice from a Member proposing appointment of Mr. Desh Raj Dogra as a Director of the Company pursuant to provisions of Section 160 of the Companies Act, 2013. The Board of Directors of the Company has recommended re-appointment of Mr. Desh Raj Dogra as an Independent Director of the Company for a second tenure commencing from ensuing Annual General Meeting of the Company and concluding on the day of 9<sup>th</sup> Annual General Meeting of the Company to be held in the calendar year 2024.

The Board places on record its deep appreciation of the valuable services rendered as well as advice and guidance provided by Mr. Sandeep M. Singhi, Mr. Pravin K. Laheri and Dr. Gauri S. Trivedi during their tenure.

Brief details of Director(s) proposed to be appointed/re-appointed as required under Regulation 36(3) of the SEBI Listing Regulations and Secretarial Standards-2 issued by the Institute of Company Secretaries of India are provided in the Notice of the Annual General Meeting.

The Independent Directors have been updated with their roles, rights and responsibilities in the Company by specifying them in their appointment letter along with necessary documents, reports and internal policies to enable them to familiarise with the Company's procedures and practices.

All Independent Directors have given declarations that they meet the criteria of Independence as laid down under Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) read with Regulation 25(8) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. There has been no change in the circumstances affecting their status as independent directors of the Company.

In the opinion of the Board, all independent directors of the Company appointed during the year have integrity, necessary expertise and experience required for effectively performing their roles and discharging responsibilities. Also, your Company has received annual declarations from all the Independent Directors of the Company confirming that they have already registered their names with the data bank maintained by the Indian Institute of Corporate Affairs ["IICA"] as prescribed by the Ministry of Corporate Affairs under the relevant rules.

During the year under review, Mr. Gaurav Agrawal resigned as Chief Financial Officer and Key Managerial Personnel of the Company w.e.f. 30<sup>th</sup> May, 2019. Mr. Yashpal Jain was appointed as Chief Financial Officer and Key Managerial Personnel of the Company w.e.f. 6<sup>th</sup> June, 2019. However, Mr. Yashpal Jain also resigned as Chief Financial Officer and Key Managerial Personnel of the Company w.e.f. 16<sup>th</sup> September, 2019 and thereafter, Mr. Pradeep M. Shah was appointed as a Chief Financial Officer and Key Managerial Personnel of the Company w.e.f. 7<sup>th</sup> February 2020.

#### **Independent director databank registration**

Pursuant to a notification dated October 22, 2019 issued by the Ministry of Corporate Affairs, all directors have completed the registration with the Independent Directors Databank. Requisite disclosures have been received from the directors in this regard. Your Company has received annual declarations from all the Independent Directors of the Company confirming that they have already registered their names with the data bank maintained by the Indian Institute of Corporate Affairs ["IICA"] as prescribed by the Ministry of Corporate Affairs under the relevant rules.

#### **DIRECTORS' AND OFFICERS' LIABILITY INSURANCE:**

The Company has taken Directors' and Officers' Liability Policy to provide coverage against the liabilities arising on them.

#### **BOARD EVALUATION**

Pursuant to the provisions of the Companies Act, 2013 and the SEBI (LODR) Regulations, 2015, the Board has carried out annual performance evaluation of its own, its committees and individual directors of the Company. The annual performance evaluation was carried out through structured evaluation process which was based on the criteria as laid down by Nomination and Remuneration Committee, which includes various aspects such as composition of the Board & Committees, diversity of the Board, experience & competencies of individual directors, performance of specific duties & obligations, contribution at the meetings and otherwise, team work, exercise of independent judgements and implementation of corporate governance principals etc. Based on performance evaluation, the Board has concluded that efforts and contribution made by all directors individually as well as functioning and performance of the Board as a whole and its committees were proactive, effective and contributing to the goals of the Company.

#### **DIRECTORS' RESPONSIBILITY STATEMENT**

To the best of knowledge and belief and according to the information and explanations obtained, your Directors make the following statements in terms of Section 134(3)(c) of the Companies Act, 2013 that:

- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;
- (c) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) the Directors had prepared the annual accounts on a going concern basis; and
- (e) the Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively;
- (f) the systems to ensure compliance with the provisions of all applicable laws were in place and that such systems were adequate and operating effectively.

#### **Sintex Plastics ESOP 2018**

The Company has instituted the Sintex Plastics Technology Limited -Employees Stock Option Plan-2018 (ESOP Plan) to grant equity based incentives to eligible employees of the Company and its subsidiaries and directors of the Company, excluding independent directors. The Scheme of ESOP Plan is in compliance with the SEBI (Share Based Employee Benefits) Regulations, 2014. A total of 30,00,000 options would be available for grant to the eligible employees of the Company and its subsidiaries and directors of the Company, excluding independent directors under the ESOP Plan. During the year under review, the Company has not granted any stock options pursuant to ESOP Plan.





The certificate from the Statutory Auditors of the Company certifying that the Company's ESOP Plan is being implemented in accordance with the SEBI (Share Based Employee Benefits) Regulations, 2014 and the resolution passed by the Members, would be available electronically for inspection by Members.

Details as specified by SEBI under Regulation 14 of the SEBI (Share Based Employee Benefits) Regulations, 2014 are available from time to time on website of the Company at the link <http://www.sintexplastics.com/investors/>.

#### **Secretarial Standards**

Pursuant to the provisions of Section 118 of the Companies Act, 2013, the Company has complied with the applicable provisions of the Secretarial Standards issued by the Institute of Company Secretaries of India and notified by Ministry of Corporate Affairs.

#### **MEETINGS OF THE BOARD OF DIRECTORS**

Regular meetings of the Board are held to discuss and decide on various business strategies, policies and other issues. During the year, Six Board Meetings were convened and held on 21<sup>st</sup> May 2019, 30<sup>th</sup> May 2019, 19<sup>th</sup> July 2019, 14<sup>th</sup> August 2019, 14<sup>th</sup> November 2019 and 7<sup>th</sup> February, 2020. The intervening gap between the two consecutive meetings was not more than one hundred and twenty days. Detailed information on the Meetings of the Board is included in the Corporate Governance Report, which forms part of the Annual Report.

#### **COMMITTEE OF BOARD OF DIRECTORS**

In compliance with the requirements of applicable laws and as part of the best governance practice, the Company has following Committees of the Board as on 31<sup>st</sup> March, 2020:

- i. Audit Committee
- ii. Nomination and Remuneration Committee
- iii. Stakeholders' Relationship Committee
- iv. Corporate Social Responsibility Committee
- v. Share & Debenture Transfer Committee

#### **AUDIT COMMITTEE**

The Audit Committee consists of four Members viz. Mr. Amal Dhru (Chairman), Mr. Dinesh Khera (Member), Mr. Desh Raj Dogra (Member) and Mr. Amit D. Patel (Member) as on 31<sup>st</sup> March, 2020. There was no instance, where recommendations of Audit Committee were not accepted by the Board of Directors.

The details of the Committees along with their composition, number of meetings held and attendance at the meetings are provided in the Corporate Governance Report.

#### **INDEPENDENT DIRECTORS' MEETING**

The Independent Directors met on 7<sup>th</sup> February, 2020, without the attendance of Non-Independent Directors and members of the Management. The Independent Directors reviewed the performance of Non-Independent Directors and the Board as a whole; the performance of the Chairman of the Company, taking into account the views of Executive Directors and Non-Executive Directors and assessed the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

#### **EXTRA ORDINARY GENERAL MEETINGS / POSTAL BALLOT**

During the year under review, the Company has neither convened any Extra Ordinary General Meeting of the members of the Company nor passed any resolution through Postal Ballot.

#### **CONSOLIDATED FINANCIAL STATEMENTS**

The Board reviewed the affairs of the Company's subsidiaries during the year at regular intervals. In accordance with section 129(3) of the Companies Act, 2013, the Company has prepared Consolidated Financial Statements of the Company and all its subsidiaries, which form part of this Annual Report. The consolidated Financial Statements have been prepared on the basis of Audited Financial Statements of the Company and its Subsidiaries. Further a statement containing salient features of the Financial Statements of each subsidiary in Form AOC-1 forms part of the Consolidated Financial Statements. The statement also provides the details of performance and financial position of each Subsidiary.

#### **POLICIES**

##### **• Remuneration policy**

The Board has, on the recommendation of the Nomination & Remuneration Committee framed a policy for selection and appointment of the Directors, the senior management and their remuneration. The details of remuneration policy are stated in the Corporate Governance Report.

- **Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information**

Pursuant to amendments in the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 vide the Securities and Exchange Board of India (Prohibition of Insider Trading) (Amendment) Regulations, 2018, the Company adopted the new “Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information” (“Fair Disclosure Code”) incorporating a policy for determination of “Legitimate Purposes” as per Regulation 8 and Schedule A to the said regulations w.e.f. 1<sup>st</sup> April, 2019.

- **Code of Conduct to Regulate, Monitor and Report Trading by Designated Persons**

Pursuant to amendments in the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 vide the Securities and Exchange Board of India (Prohibition of Insider Trading) (Amendment) Regulations, 2018, the Company adopted the revised “Code of Conduct to Regulate, Monitor and Report Trading by Designated Persons” as per Regulation 9 and Schedule B to the said regulations w.e.f. 1<sup>st</sup> April, 2019.

- **Whistle blower policy**

The Company has adopted a Whistle Blower Policy through which the Company encourages its employees to bring to the attention of Senior Management, including Audit Committee, any unethical behaviour and improper practices and wrongful conduct taking place in the Company. The details of the same is explained in the Corporate Governance Report and also posted on the website of the Company at the link <http://www.sintexplastics.com/investors/policies/>.

- **Policy for Determining Material Subsidiaries**

Pursuant to amendments in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 vide the the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, the Company adopted the revised “Policy for Determining Material Subsidiaries” for laying down a criterion for determining Material Subsidiaries and their governance as per Regulation 16(1)(c) to the said regulations w.e.f. 1<sup>st</sup> April, 2019.

#### **Particulars of loans given, investments made, guarantees given and securities provided**

Particulars of loans given, investments made, guarantees given and securities provided under Section 186 of the Companies Act, 2013 are provided in the Standalone Financial Statement (Please refer to Note 4 & 8 to the Standalone Financial Statements), which are proposed to be utilized for the general business purpose of the recipient.

#### **Contracts and arrangements with related parties**

Related party transactions that were entered into during the financial year were on arm’s length basis and in the ordinary course of business in accordance with relevant provisions of the Companies Act, 2013. Further, there were material related party transactions which were entered into in the ordinary course of business and on arm’s length basis under Section 188(1) of the Companies Act, 2013 during the financial year under review, details of which are provided in form AOC-2 pursuant to provisions of Section 134(3)(h) of the Companies Act, 2013 read with rule 8(2) of the Companies (Accounts) Rules, 2014. Form AOC-2 is attached herewith as **Annexure-C** to the Board’s Report.

Disclosures of Related Party transactions as per Regulation 34(3) read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are provided as note no. 25 to Standalone Financial Statements.

#### **Significant and Material Orders passed by the Regulators or Courts or Tribunals impacting going concern status**

No significant or material orders are passed by the Regulators or Courts or Tribunals which impact the going concern status and Company’s future operations.

#### **Management Discussion and Analysis Report**

The Management Discussion and Analysis Report on the operations of the Company, as required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is provided in a separate section and forms part of this Annual Report.

#### **CORPORATE GOVERNANCE**

Corporate Governance is, essentially, a philosophy. It encompasses not only the regulatory and legal requirements, but also the voluntary practices developed by the Company to protect the best interests of all stakeholders. The Company complies with all the Standards, Guidelines and Principles governing disclosures and obligations set out by the Securities and Exchange Board of India (SEBI) and the Stock Exchanges on corporate governance.

A separate report on Corporate Governance along with Certificate from M/s. Chirag Shah & Associates, Practicing Company Secretaries, Ahmedabad on compliance with the conditions of Corporate Governance as per Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is provided as a part of this Annual Report.

Your Company has made all information, required by investors, available on the Company’s website [www.sintexplastics.com](http://www.sintexplastics.com)